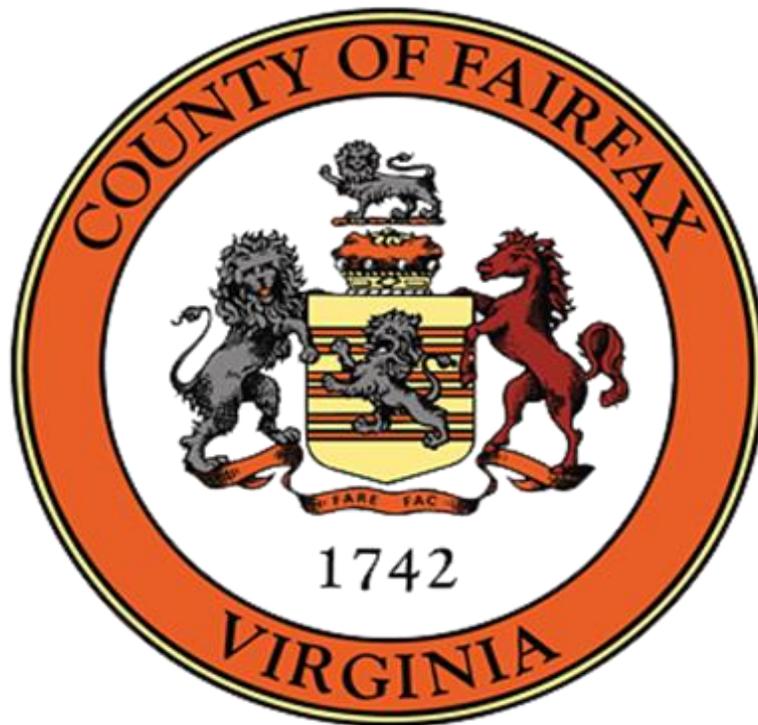


COUNTY OF FAIRFAX, VIRGINIA OFFICE OF FINANCIAL AND PROGRAM AUDIT



June 2018

Quarterly Report

**FAIRFAX COUNTY BOARD OF SUPERVISORS
AUDITOR OF THE BOARD
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Fairfax County
Office of Financial and Program Audit



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Table of Contents

ABSTRACT	4
DPWES REVENUE ANALYSIS & CONTROL STUDY	5
• <u>OVERSIGHT OF BILLING & COLLECTION FUNCTIONS PROVIDED BY FCWA</u>	7
• <u>RECONCILING ITEMS</u>	8
• <u>PAYMENT AGREEMENT BETWEEN THE COUNTY AND TOWN OF VIENNA</u>	10
• <u>TERMS IN AGREEMENT NO LONGER APPLICABLE</u>	11
• <u>CASH BALANCES REPORTED AS UNAPPLIED</u>	12
• <u>RECEIVABLES EXCESSIVELY AGED</u>	13
• <u>A/R REPORTING DIFFERENCES / FOCUS & DATA WAREHOUSE</u>	14
EXTERNAL SYSTEMS INTEGRATION PLANS TO FOCUS STUDY PLANS	16
• <u>AGENCY RECONCILIATION SUPPORT FOR EXTERNAL SYSTEMS DATA TO FOCUS</u>	28
• <u>TECHNICAL STANDARD FOR INTERFACING EXTERNAL SYSTEMS TO FOCUS</u>	30
• <u>EXTERNAL SYSTEMS OVERSIGHT AND TRACKING</u>	32
URBAN SEARCH & RESCUE SERVICES STUDY	34
• <u>EXPENDITURE ACCRUALS NOT FORMALIZED FOR ALL ACTIVITY</u>	40
APPENDICIES	42
LIST OF ACRONYMS	45

**Fairfax County
Office of Financial and Program Audit**

ABSTRACT

Working under the guidance and direction of the Audit Committee, the Auditor of the Board provides an independent means for assessing management's compliance with policies, programs and resources authorized by the Board of Supervisors. Further to this process, efforts are made to gain reasonable assurance that management complies with all appropriate statutes, ordinances and directives.

This agency plans, designs, and conducts studies, surveys, evaluations and investigations of County agencies as assigned by the Board of Supervisors or the Audit Committee (AC). For each study conducted, the agency focuses primarily on the County's Corporate Stewardship vision elements. The agency does this by developing, whenever possible, information during the studies performed which are used to maximize County revenues or reduce County expenditures.

To assist the Office of Financial and Program Audit (OFPA) with executing the responsibilities under our charge, members of the Fairfax County Board of Supervisors (BOS) submit study recommendations of which the findings and management responses are included in published studies. This process is utilized to provide the constituents, BOS and management reasonable assurance that fiscal and physical controls exist within the County.

Additionally, this agency conducts follow-up work on prior period studies. As part of the post study work conducted, we review the agreed upon managements' action plans. To facilitate the process, we collaborate with management prior to completion of studies. Through this collaboration, timelines for the implementation of corrective action and status updates are documented for presentation at the upcoming Audit Committee Meetings.

The results of studies may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled timeframe, and overall organization's data-mining results. The execution of the OFPA's studies are facilitated through various processes such as; sample selections whereby documents are selected and support documentation is requested for compliance and other testing attributes. Our audit approach includes interviewing appropriate staff and substantive transaction testing. OFPA staff employs a holistic approach to assess agencies/departments whereby the review is performed utilizing a flow from origination to closeout for the areas under review.

There are several types of studies performed by OFPA, e.g.; operational, financial, compliance, internal controls, etc. To that end, it is important to note; OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

**Fairfax County
Office of Financial and Program Audit**

DPWES REVENUE ANALYSIS AND CONTROL STUDY

OVERVIEW AND UPDATES

The purpose of this study was to assess the billing and collection practices for the Department of Public Works and Environmental Services (DPWES) Solid Waste (**SW**) & Wastewater (**WW**) Divisions. This included (*but not limited to*) an assessment of billings, collections, accruals, aged receivables, accounting & revenue recognition and remittances. The DPWES SW and WW Division services are supported by monies generated from an enterprise fund generated from prior year's activity. Fiscal Year (FY) 2017 revenues collected (based on the FY 2017 Comprehensive Annual Financial Report (CAFR) and WW 2017 CAFR respectively) are; SW ~**\$68M** and WW ~**\$195.8M**.

There are several service deliveries provided by the SW division which includes; refuse collections, recycling and disposals. Disposals/recycles and collection services for County constituents, local jurisdictions, local colleges and businesses that reside within the surrounding area are provided by the SW division. Fees charged to customers are based on several factors such as; tonnage, type of disposal, contracted business, etc. Fee compilations, billings, collections and other administrative functions are performed by the SW Administrative Services Branch at DPWES.

Sewer services are provided by the DPWES WW Division throughout the County and other local jurisdictions. Sewer fees for operations, such as; availability fees, lateral spur fees, sewer connection charges are billed and collected by the WW Division. Water treatment billing and collection functions are performed by the Fairfax County Water Authority (FCWA) on behalf of the County. FCWA remits these collections to the County weekly. For FY 2017, ~**\$182M** in revenues were remitted to the County by FCWA for water treatment services. Under the 1989 agreement between the County & FCWA, FCWA agreed to perform the billing & collection functions for services provided to customers for wastewater treatment. For these services, monthly maintenance fees are charged to the County. The fees are based on a combination of; number of bills processed and an annual rate. The County paid ~**\$5.8M** to FCWA for these services in FY 2017.

To facilitate this study, OFPA obtained several sources of data from SW & WW. Data collected included; aged receivables, revenues, expenditures, accruals, refunds, and monthly reconciliation reports. To facilitate our analysis of this data, additional requests of; supporting documentation, policies, and regulations were requested and provided for FY 2016 – FY 2017. OFPA also interviewed both SW & WW staff on several occasions during this study. This allowed us to obtain an understanding of these operations performed. The results of the substantive testing can be found in **Appendices A-C**.

**Fairfax County
Office of Financial and Program Audit**

OBJECTIVES AND RESULTS

Business Objectives	Study Assessments
Oversight of Billing & Collection Functions Provided by FCWA - WW ¹	Unsatisfactory
Reconciling Items – SW ²	Unsatisfactory
Payment agreement between the County & Town of Vienna- WW ³	Needs Improvement
Terms in agreement no Longer Applicable – WW ⁴	Needs Improvement
Cash Balances Reported as Unapplied – SW ⁵	Needs Improvement
Receivables Excessively Aged – SW ⁶	Needs Improvement
A/R Reporting Differences / FOCUS & Data Warehouse – FBSG ⁷	Needs Improvement
Billing/Collection/Oversight of Maintenance Fee - WW	Satisfactory
Accrual Accounting Process - WW	Satisfactory
Waiver & Refund Practices – SW	Satisfactory
Revenue Recognition Practices – SW	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • FCWA Maintenance Fees charged to the County reviewed by WW staff and management prior to submitting payment. • For tested data, accruals appeared to be performed in compliance with County Policy. • Waivers & refunds reviewed by staff and management prior to issuing waivers or refunds. • For tested data, remittances to the County for services provided reconcile to billed invoices. 	<ul style="list-style-type: none"> • No documented periodic reviews of remitted funds from FCWA to the County could be identified.¹ • Unreconciled monthly balances between Weighmaster system and FOCUS.² • No formal agreement with the Town of Vienna for deferred payment of allocated capital expenses.³ • Agreement could be enhanced and exclude non-applicable sections.⁴ • Remitted payments remain as unapplied cash.⁵ • Receivables remain outstanding greater than ~1,000 days.⁶ • A/R Reporting in two different systems reveal differences.⁷

OBSERVATIONS AND ACTION PLANS

The following table(s) detail observation(s) and recommendation(s) from this study along with management’s action plan(s) to address these issue(s).

OVERSIGHT OF BILLING AND COLLECTION FUNCTIONS PROVIDED BY FCWA - WW

Risk Ranking

HIGH

Our review of the billing and collection processes performed by FCWA on behalf of the County revealed no evidence of oversight by WW staff. As per WW staff, no periodic reviews are performed for the billings and collections managed by FCWA (e.g. vouching source data to billings and remittances). The annual receivables collected and remitted to the County for FY 2017 were ~\$182M. No extended testing to identify errors in either billings or remittances was performed by OFPA due to the high level of information provided. Source data regarding the compilation of the billings and remittances are not maintained onsite. Requesting and sourcing this information would have adversely effected the timely execution of this study. That being stated, detailed in the section below is our recommendation to address this issue.

Recommendation

We recommend that WW staff develop and implement a documented (*and consistently executed*) process whereby periodic reviews (*based on a timeframe as deemed appropriate by DPWES management, e.g. on a sample basis and/or annually*) for billing compilation and remittance of funds from FCWA to the County. Staff should review source documentation for billings and remittances re: the fiscal interest of the County. This would assist staff in gaining reasonable assurance that financial activity for WW has been adequately processed.

Action Plan

Point of Contact	Target Implementation Date	Email Address
James Patteson (Director, DPWES)	July 1, 2019	James.Patteson@FairfaxCounty.gov
Michael Goodrich (Chief, WW Financial Monitoring Branch)		Michael.Goodrich@FairfaxCounty.gov

MANAGEMENT RESPONSE:

A documented annual review will be implemented and performed by Wastewater staff. Using sampling as the method, specific types of transactions relating to FCWA billing compilations and remittance of funds will be analyzed with FCWA's cooperation. Existing oversight has examined monthly data and invoices, where trends have been analyzed and significant variances have been explored with FCWA staff.

**Fairfax County
Office of Financial and Program Audit**

RECONCILING ITEMS - SW

Risk Ranking

HIGH

During our review of SW monthly reconciliations, we noted three unreconciled balances going back as far as January 2016. These balances range from ~ **(\$133K)** to ~ **(\$567K)** averaging ~ **(\$285K)** for the past two years. The impact of overstating the receivables on the County’s books diminishes the reliability of information reflected in FOCUS and misstates the balance sheet. Testing results are provided in **Appendix A**.

Recommendation

We recommend that SW staff liaise with Department of Finance (DOF) (or the appropriate agency), to reconcile these balances. Also, processes should be developed and efforts should be made to resolve these differences more timely going-forward.

Related County Guidance:¹

Discrepancies Page 4 of ATB 020: “Any discrepancies discovered while reconciling should be immediately investigated, explained and, if required, corrected.”

Action Plan

Point of Contact	Target Implementation Date	Email Address
James Patteson (Director, DPWES)	July 1, 2019	James.Patteson@FairfaxCounty.gov
Scott Patchan (Chief, SW Admin. Services Branch)		Scott.Patchan@FairfaxCounty.gov
Chris Pietsch (Director, DOF)		Christopher.Pietsch@FairfaxCounty.gov
Deirdre Finneran (Deputy Director, DOF)		Deirdre.Finneran@FairfaxCounty.gov

MANAGEMENT RESPONSE:

¹ ATB 020 – Financial Transactions Reconciliations (April 2013)

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Office of Financial and Program Audit**

SWMP is committed to correcting its accounts receivable situation. Beginning on June 11, 2018, SWMP met with DOF and FOCUS staff to discuss the outstanding reconciliation balance. DOF has assigned a staff accountant to review the reconciling difference and attempt to locate its source. SWMP turned over recent reconciliation data on June 11 to DOF to begin the process. SWMP has been aware of this reconciliation for some time and has been actively working to procure a new subsystem that will eliminate the duplicate manual data entry that currently exists and will instead rely upon daily interfaces from the subsystem to FOCUS and SWMP will utilize the FOCUS SAP Accounts Receivable Module to maintain detailed records of customer accounts, eliminating the need for the external system to track accounts receivable. It is estimated that we will have a new subsystem installed and operating by July 1, 2019. SWMP is currently working with DPMM on a sole source procurement for that system.

**Fairfax County
Office of Financial and Program Audit**

PAYMENT AGREEMENT BETWEEN THE COUNTY & THE TOWN OF VIENNA - WW

Risk Ranking

MEDIUM

Based on our review, an ***Informal agreement*** exists between the County and the Town of Vienna whereby the Town of Vienna pays **3.19%** interest on the outstanding receivable balance past 30 days. The billings and receivables for the Town of Vienna in FY 2017 were **\$722K** of which **\$190K** remains uncollected today. The average Days Sales Outstanding (DSO) for the Town of Vienna receivables are **~458 days**. Item of note; our small testing sample of 4 items did not reveal any anomalies. The 3.19% interest paid to the County by the Town of Vienna was **~\$15K** for FY 2017. The deferred payment arrangements between the County and the Town of Vienna for the Town's allocated share of FY 2017 wastewater treatment facility capital costs have not been formalized. Without a documented agreement, recourse regarding any perceived variance of remitted funds is diminished.

Testing results are provided in **Appendix B**.

Recommendation

We recommend that consideration is given to WW staff liaising with the DOF and Office of the County Attorney (OCA) to explore the opportunity of formalizing the deferred payment arrangement between the County and Town for the Town's allocated share of capital costs at the County's wastewater treatment facility.

Action Plan

Point of Contact	Target Implementation Date	Email Address
James Patteson (Director, DPWES)	July 1, 2019	James.Patteson@FairfaxCounty.gov
Michael Goodrich (Chief, WW Financial Monitoring Branch)		Michael.Goodrich@FairfaxCounty.gov

MANAGEMENT RESPONSE:

DPWES will work with the Office of the County Attorney and develop a proposed agreement with the Town of Vienna to formalize this payment arrangement. The intention is to have this agreement in place by July 1, 2019.

**Fairfax County
Office of Financial and Program Audit**

TERMS IN AGREEMENT NO LONGER APPLICABLE – WW & OCA

Risk Ranking

MEDIUM

Our review of the agreement established in 1989 between the County & the FCWA revealed several sections which detail non-existent entities or practices to include:

1. Cooperative Computer Center Committee (*now known as DIT*) provides Computer/Printing support to FCWA. Alternatively, under this agreement, FCWA has agreed to provide financial support for these operations. This agreed upon arrangement ***no longer applies***,
2. Cooperative Computer Center Committee shall perform data processing services such as, maintaining personnel and data processing equipment. This equipment is necessary for the computation and processing of data related to the preparation of bills, reports and other notices for the combined water and sewer billing system. This agreed upon arrangement ***no longer applies***.

Recommendation

We recommend that consideration is given to WW staff liaising with the OCA to review the current agreement to assess if the above-mentioned areas should be revised or removed. Additionally, as the current agreement is dated as of 1st January 1989, consideration should be given to assessing if this agreement should be; terminated and a new agreement should be executed or the existing agreement should be updated.

Action Plan

Point of Contact	Target Implementation Date	Email Address
James Patteson (Director, DPWES)	July 1, 2019	James.Patteson@FairfaxCounty.gov
Michael Goodrich (Chief, WW Financial Monitoring Branch)		Michael.Goodrich@FairfaxCounty.gov
Beth Teare (County Attorney)		Elizabeth.Teare@FairfaxCounty.gov

MANAGEMENT RESPONSE:

DPWES will work with the Office of the County Attorney evaluate appropriate amendments to the Agreement with the Fairfax County Water Authority (FCWA). The intention is to have this agreement in place by July 1, 2019.

**Fairfax County
Office of Financial and Program Audit**

CASH BALANCES REPORTED AS UNAPPLIED – SW

Risk Ranking

LOW

During our review, we noted **20 (out of the original 22 of which 2 have been cleared)** payments for SW receivables were remitted between 30th April 2012 and 5th February 2018 totaling ~\$18K that remain as Unapplied Cash. These payments are recorded as either collected cash and/or A/R.

Recommendation

We recommend that SW staff review the **20** identified items to apply and/or clear from the reporting. Determinations should be made if these remaining balances are related to system, data entry, and/or process gaps. Additionally, consideration should be given to monitoring unapplied cash receipts for periodic cleanup during *the monthly reconciliation process*. SW staff has informed OFPA that efforts are currently being made to review and clear these unapplied cash receipts.

Action Plan

Point of Contact	Target Implementation Date	Email Address
James Patteson (Director, DPWES)	June 30, 2018 & (Ongoing)	James.Patteson@FairfaxCounty.gov
Scott Patchan (Chief, SW Admin. Services Branch)		Scott.Patchan@FairfaxCounty.gov

MANAGEMENT RESPONSE:

All of the errors identified above have been corrected. In reviewing existing policy, it was determined that the policy to prevent this situation from occurring is already in place and needs to be reemphasized. To prevent future recurrence of similar errors, SWMP has reviewed its monthly reconciliation practices and will reemphasize processes identified in DPWES’s Monthly Reconciliation Plan that if diligently carried out each month will identify and correct similar errors on a timely basis. The DPWES Monthly Reconciliation Plan details pertinent sections that will be implemented for the reconciliation month of June 2018 and going forward.

**Fairfax County
Office of Financial and Program Audit**

RECEIVABLES EXCESSIVELY AGED – SW

Risk Ranking

LOW

During our review, we noted three items on the SW A/R Report aged over ~852 days (*based on original invoices billed to customers*). Two of the receivables totaling **\$3.1K** remain with SW for collections. One of these receivables of **\$2.6K** remains with SW per the contract between the County and a private customer (Covanta). The other receivable of **\$544.89** remains with SW as the customer is a government entity. Government customers and customers with contracts stipulating terms requiring SW staff to manage the relationship, these receivables are not forwarded to the Department of Taxation (DTA) Nationwide Credit Corporation (NCC) collections. Lastly, the third receivable for **\$357.46** was transferred back to SW from NCC and should be written off as per County *Financial Policy Statement (FPS) 436*.

Testing results are provided in **Appendix C**.

Recommendation

We recommend that consideration should be given to documenting and performing periodic reviews over aged receivables to facilitate the completeness of NCC Reports for follow-up. While the items identified totals ~**\$3.5K** which is de minimis to the receivables balance, this is a control centric recommendation designed for process enhancement.

Action Plan

Point of Contact	Target Implementation Date	Email Address
James Patteson (Director, DPWES)	October 31, 2018	James.Patteson@FairfaxCounty.gov
Scott Patchan (Chief, SW Admin. Services Branch)		Scott.Patchan@FairfaxCounty.gov

MANAGEMENT RESPONSE:

SWMP will develop a formal written procedure whereby a system of reminders and communications with customers will be implemented to ensure more timely collection of these types of accounts. SWMP has an excellent model to follow with its commercial accounts receivable and will apply that reminder system to its miscellaneous and governmental accounts receivable.

**Fairfax County
Office of Financial and Program Audit**

A/R REPORTING DIFFERENCES / FOCUS & DATA WAREHOUSE - FBSG

Risk Ranking

LOW

During our review, we noted two payments remitted to Wastewater (WW) by the Town of Vienna for \$323K are presented in the data warehouse AR_01_Funds_Center report as “Unapplied.” These funds were remitted as partial payment for a receivable balance of ~\$481K for the Town of Vienna Sewer Service. While this payment was recorded in FOCUS, it remains on the unapplied A/R reporting in the data warehouse. The receivable balance in FOCUS is ~\$158K and the balance in the data warehouse remains at ~\$481K until fully paid. The data warehouse consists of daily extractions of transactional and master data from FOCUS.

Guidance and instructions provided through the *Data Warehouse Report Training* for employees states the following:

The FOCUS Data Warehouse offers users:

- Significantly increased reporting speed,
- Enhanced reporting descriptions,
- Ability to execute reports without logging into FOCUS, and
- Enhanced cross-module reporting

Recommendation

Staff should review the aggregate differences between the A/R reporting in FOCUS and the A/R reporting in the data warehouse. Consideration should be given to enhancing the data warehouse A/R reporting to include subtotals for outstanding receivables. We recommend that current financial practices are employed to reconcile A/R reporting in both systems which would support the initiative set out for the acquisition and implementation of this software.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Ellicia Seard (Deputy Director, DMB)	December 31, 2018	Ellicia.Seard@FairfaxCounty.gov
Chris Pietsch (Director, DOF)		Christopher.Pietsch@FairfaxCounty.gov
Deirdre Finneran (Deputy Director, DOF)		Deirdre.Finneran@FairfaxCounty.gov

MANAGEMENT RESPONSE:

**Fairfax County
Office of Financial and Program Audit**

The A/R Data warehouse is updated with data from the previous day in FOCUS and reconciled on a daily basis by FBSG staff. There are currently four (4) Accounts Receivable (A/R) Data Warehouse reports, each with different reporting views including parameter selections, grouping/aggregations, and sorting capabilities. These Data Warehouse reports were developed to assist the A/R user in the management of their Accounts Receivables. The aggregated differences (or different views) provide the user with information to assist in the reconciliation of their A/R financial activity. As part of each department's reconciliation procedures, users are required to review all financial activity that remains open at a given time. The "Unapplied" balance displayed on the data warehouse report denotes items that need to be monitored and reconciled such as the amount of a partial payment that has been received and/or adjustments to outstanding payments. Customer invoices for which the full amount due has not yet been received will remain open on the data warehouse report until final action is taken.

End users are encouraged to use the A/R Data Warehouse reports and FOCUS standard reports in combination to determine the unapplied payments and take any necessary actions. The **A/R_01_Funds_Center** Data Warehouse report displays all (partial) payments associated with a receivable balance in an "Unapplied" section of the report until fully received. The "Unapplied" section is to bring awareness that a receivable is awaiting payments. Subsequently, once all payments are received, the receivable outstanding balance will be removed from the report display, including the "Unapplied" section of the report.

Management concurs with the finding and will take the following actions:

- FBSG/DOF staff will strengthen and highlight the documentation provided to end users on how to review the aggregate differences between the A/R Data Warehouse reports and the FOCUS A/R standard reports to ensure that partial payments are adequately researched and followed up.
- FBSG/DOF staff will provide additional training to A/R end users to help facilitate their understanding of the A/R reconciliation process between the two reporting platforms (Data Warehouse and FOCUS).
- FBSG/DOF staff will review the Data Warehouse report(s) for enhancements including additional subtotals, groupings, titling for displayed fields and/or sections, report definition, etc.

EXTERNAL SYSTEMS INTEGRATION TO FOCUS STUDY

OVERVIEW AND UPDATES

The purpose of this study was to identify External Systems (*This title refers to software, computer contracted services for the build out of software, and/or Department of Information Technology (DIT) services for the build out of software. These tools are used to import or interface financial data into FOCUS*) utilized by Fairfax County (the County) that **do** and **do not** currently directly interface to FOCUS (Systems, Applications and Products (SAP) for County)). Several agencies have procured systems to support operations either through need or expediency. Included in this study, we identified systems/platforms not-integrated to FOCUS. We liaised with the respective stakeholders to obtain any plans to integrate the systems into FOCUS. This process assisted OFPA in identifying systems that will remain stand-alone and the reasons for these decisions.

Further to this review, OFPA assessed; reconciliations of (*manual uploads, journal entry (JE), batch processing, and any other manual data entries*) to FOCUS and process related criteria. Additionally, we reviewed supporting documentation for the following records; Scope of Work (SOW), plans for integration, and compliance with applicable policies and procedures. Recommendations were made where appropriate.

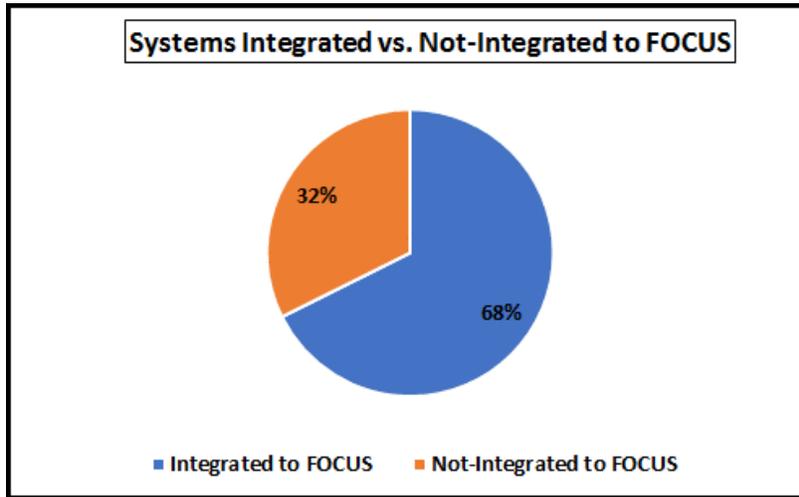
To facilitate this study, OFPA liaised with the **Study Support Group** (DIT/Focus Business Support Group (FBSG)/DOF). The Study Support Group provided lists of; external systems utilized by agencies/departments that are interfaced (and not interfaced) to FOCUS. Based on these two lists provided, **45** external systems are interfaced to FOCUS and **17** external systems are not.

OFPA also performed outreach to several other agencies/departments to inquire if external systems are utilized. Based on these efforts, we identified **six** additional external systems not-interfaced to FOCUS.

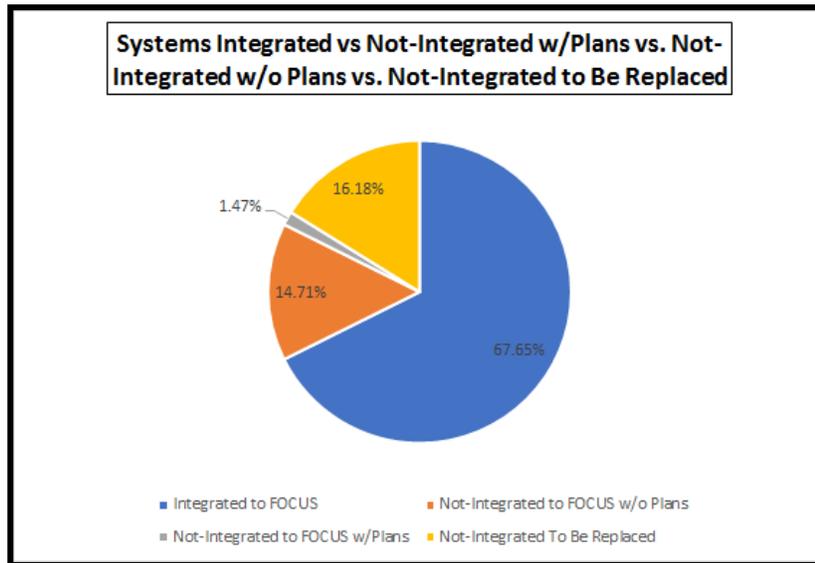
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Office of Financial and Program Audit

The following charts provide details of the external systems identified:

- **Systems Integrated vs. Not-Integrated to FOCUS:**



- **Systems Integrated vs. Not-Integrated w/Plans vs. Not-Integrated w/o Plans vs. Not-Integrated to Be Replaced:**



2

Our audit approach included interviewing appropriate staff, substantive testing, and evaluating the processes for compliance with internal controls, regulations, and County policies and procedures. OFPA staff also reviewed the departments/agencies procedures to ensure the process employed was holistic and complete.

² Note: FOCUS cannot support all functions of the External Systems, e.g.; scheduling, golf management, and etc. The areas being addressed by this graph are financially related.

**Fairfax County
Office of Financial and Program Audit**

To provide an overview of the diligence and breadth of the testing performed, the information below has been included in the narrative section of this report.

- **Financial Applications/SOW review of the External Systems for the DTA:**
 - **ALIS/iNovah/ATS:** Discussions are being held re: replacing ALIS, iNovah & ATS with a new system which will be integrated into FOCUS 30th June 2019.
 - **No issues noted from the test procedures.**

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY DTA/DIT/FBSG)							
System Functionalities/Data Migration Methods/Backgrounds							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Department of Tax Administration	*ALIS (BPOL) *(ALIS) Business Personal Property *(ALIS) Personal Property	Implemented more than 25 years ago	*Business Licensing from Gross Receipts, Purchases Tax Revenue - Payment Processing *Business Tangible Property Tax Revenue - Payment Processing *Personal Property and Vehicle Registration Tax Revenue - Payment Processing		JE Upload	Current Legacy System that includes mainframe applications for BPOL, Business Personal Property and Personal Property.	
Department of Tax Administration	iNovah	2007	Point of Sale Cashiering Product to post payments to Tax Subsystems.		JE Upload	iNovah is the cashiering product used to post payments to the tax subsystems. Amounts are posted to FOCUS manually with a Journal Entry	
Department of Tax Administration	ATS (Delinquent Account Tracking)	Implemented more than 25 years ago	Controls delinquent account tracking as well as special fees such as administrative fees and DMV holds		JE Upload	This is a separate module in ALIS that controls delinquent account tracking as well as special fees such as administrative fees and DMV holds. Currently fees are posted through	
Testing Attributes for the Systems Above							
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
SOW documentation not available.	FOCUS consists of financial, logistics (procurement functions) and human capital management functionality. FOCUS has capability to perform some of the External System functionality.	ALIS & ATS - System being replaced. The TaxPP/FOCUS interface amongst the priorities for next phases enhancements for TaxPP modernization. Estimated implementation date is June 30, 2019. iNovah - System being replaced. Implementation date TBD.	No	System being replaced. The TaxPP/FOCUS interface amongst the priorities for next phases enhancements for TaxPP modernization.	N/A	N/A	Supporting documents reconcile to FOCUS.

- **Financial Applications/SOW review of the External Systems for the Fairfax County Park Authority (FCPA):**

**Fairfax County
Office of Financial and Program Audit**

- **EZLINKS/ParkNet:** Discussions are being held re: replacing EZLINKS & ParkNet with a new system (RecDynamics) with a Go-Live Date of June 2018. This system is being reviewed for integration into FOCUS.
 - **No issues noted from the test procedures.**

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY FCPA/DIT/FBSG)							
System Functionalities/Data Migration Methods/Backgrounds							
Agency/Department	Stand-Alone System	System Implementation Year <i>(If Applicable)</i>	System Functionalities		Data Migration Method	System Background	
Fairfax County Park Authority	EZLINKS	2016	The EZLINKS system functionalities include; golfer data and course tee time availability, distributes promotional emails to golfer database and collects paid golf fees.		JE Upload	EZLINKS is a system used by FCPA Golf Enterprises only. EZLINKS is a tee time booking system allowing golfers to view and book tee times in advance of arriving at the courses. This system provides detailed pricing on the booking and processes payments for golfing activities.	
Fairfax County Park Authority	ParkNet	1995	Point of sales systems (POS) utilized at the parks in the County. This system houses member information, recreation classes, and collects fees for several activities offered at the parks.		JE Upload	ParkNet is a system that was implemented in 1995 and is utilized as the POS at all parks within the County.	
Testing Attributes for the Systems Above							
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
No language exists regarding the integration to FOCUS.	Accounts receivable functions.	There are no plans to integrate EZLINKS or ParkNet to FOCUS as these system will be replaced following the procurement of RecDynamics. Implementation date of June 2018.	N	Not-Integrated	Go-Live June 2018	The EZLINKS and ParkNet systems will not be integrated to FOCUS as it will be replaced by the new system RecDynamics. The RecDynamics system is currently being reviewed to include accounts receivable and other financial interfaces to FOCUS.	Supporting documentation reconciled to FOCUS. Our review included the reconciliations for one park and one golf course as per the documents provided by FCPA.

**Fairfax County
Office of Financial and Program Audit**

- **Financial Applications/SOW review of the External Systems for the Neighborhood & Community Services (NCS):**
 - **AFSS/Trapeze:** No plans for changes to AFSS & Trapeze as of the time of this study.
 - **Tracers:** System will be replaced by a new system (RecDynamics) with a Go-Live date of June 2018.
 - **No issues noted for either systems from the test procedures**

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY NCS/DIT/FBSG)							
System Functionalities/Data Migration Methods/Backgrounds							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Neighborhood & Community Services	AFSS	2014	AFSS Collection of Fees		Manual Entry	A custom designed system for use by the NCS Community Use Scheduling Division in scheduling the use of Athletics Fields and Gyms across Fairfax County, including both County and School facilities. It interfaces with the schools' scheduling system. This system creates invoices for applicable fees, accepts payments and generates use permits.	
Neighborhood & Community Services	Trapeze	2002	System utilized for client registration, trip booking, real-time scheduling and service dispatching.		N/A	The PASS module of Trapeze is a comprehensive solution for transportation client registration, trip booking, real-time scheduling and service dispatching. While the system does not process participant financial data, it does provide a statement of services (mileage and hours) which is converted into billable amounts and forwarded to Children's Services Act (CSA) staff in the Department of Family Services (DFS) for review and inter-fund billing to NCS.	
Neighborhood & Community Services	Tracers	2002	Registering and enrolling participants and collecting fees associated with the business areas.		Manual Entry	A custom in-house system (designed by Fairfax County DIT) for use by the NCS Therapeutic Recreation business area in registering and enrolling participants, and collecting fees associated with the business area's programs and activities. Future possible integration with Recreation Dynamics will be investigated.	
Testing Attributes for the Systems Above							
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
Integration to FOCUS not part of the scope of work provided in Documentation	FOCUS consists of financial, logistics (procurement functions) and human capital management functionality. While FOCUS has capability of administering fee collections, it is not suitable for Athletic Field Scheduling.	No	No	TBD	Tracers to be replaced by RecDynamics with a Go-Live date of June 2018.	N/A	Supporting Documentation Reconciles to FOCUS.

**Fairfax County
Office of Financial and Program Audit**

- **Financial Applications/SOW review of the External Systems for the Land Development Services (LDS):**
 - **Elevator Inspection Services (EIS)**: LDS is in the process of replacing EIS with a new system which will interface to FOCUS. The estimated target implementation date of the new system is **Calendar Year (CY) 2020**.
 - **FIDO**: LDS is in the process of replacing FIDO with a new system which will interface to FOCUS. The estimated target implementation date of the new system is **CY 2020**.
 - **Issue Note**: Monthly Reconciliations for both systems for **June 2017** did not exist at the time of this study.

EXTERNAL SYSTEMS NOT INTEGRATED TO FOCUS UNDER REVIEW (BASED ON DATA PROVIDED BY LDS/DIT/FBSG)							
System Functionalities/Data Migration Methods/Backgrounds							
Agency/Department	Stand-Alone Systems	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Land Development Services	EIS	FY 2013/FY2014	Land Development System that collects fee.		Interfaced w/FOCUS	Elevator and escalator billings are generated through EIS and integrated into FOCUS. It is managed by LDS Finance.	
Land Development Services	FIDO	System procured in 2004, with a go live date in 2006.	Fairfax Inspections Database Online collects fee for inspections and permits.		JE Upload	LDS cashier's office process customer payments through FIDO. Daily activity is integrated into FOCUS through JE upload.	
Testing Attributes for the Systems Above							
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
EIS is a custom-in-house system (designed by DIT)/No documentation exist for FIDO system.	FOCUS consists of financial, logistics (procurement functions) and human capital management functionality. FOCUS has capability to perform some of the External System functionality.	<i>The County is in the beginning stages of implementing the PLUS system (in collaboration with DIT and with the vendor ACCELA). This project is intended to unite all functions of land development (systems used by DPZ, Fire, Health Department, and Land Development Services) into one system. The PLUS system, among other things, will replace FIDO and EIS and it is intended to interface all appropriate financial functions directly with FOCUS, as possible. This will be developed with the existing product and with any necessary third-party add-ons. All of this will be done in collaboration with DIT and the appropriate FOCUS technical teams. Estimated Implementation date to replace both systems CY 2020.</i>	Yes. Beginning Stages of implementing the PLUS system.	Aligned with LDS estimated completion date of System Integration.	Estimated CY 2020	N/A	At the time of this study no monthly reconciliations existed for the EIS & FIDO systems. Per our request LDS developed monthly reconciliations for June 2017. The support reconciles to FOCUS.

**Fairfax County
Office of Financial and Program Audit**

- **Financial Applications/SOW review of the External System for the Community Services Board (CSB):**
 - **Credible:** Discussions are being held re: replacing Credible with a new system. At the time of this study there was no information re: integration plans to FOCUS.
 - **Issue Note:** Reconciling items identified for June 2017 to FOCUS.

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY CSB/DIT/FBSG)							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Community Services Board	Credible	2012	The application is used by CSB clinicians and contractor support staff to document mental health, substance abuse and developmental disability services to Fairfax County residents and bill for those services to insurances, Medicaid and Medicare as appropriate.		Manual JE Upload to FOCUS	In May 2012, the CSB contracted with Credible Behavioral Health to provide an electronic health record application, CREDIBLE, to replace the aging and outdated existing system, Anasazi. CREDIBLE is a software-as-a-Service (SaaS) product that is a secure web-based application hosted and maintained by the vendor.	
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
No language exist in the contract agreement regarding the interface of Credible to FOCUS.	FOCUS has some functionality but not ALL functionality as the existing system Credible.	There are no plans to integrate Credible to FOCUS as it will be replaced following the procurement of the Health Care Service Information System (HCSIS). Implementation date TBD.	No	Non-Integrated	N/A	The Credible system will not be integrated as it will be replaced by the HCSIS system currently under review for procurement.	(N) The Supporting Documents from Credible do not reconcile to FOCUS. There is a difference of \$9,748. Per CSB staff, this is due to the systems having different closing periods and adjustments due to insurance determinations.

- **Financial Applications/SOW review of the External System for the Department of Family Services (DFS):**
 - **Dynaxys:** This system is integrated to FOCUS.
 - **No issues noted from the test procedures.**

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY DFS/DIT/FBSG)							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Department of Family Services	Dynaxys	2009	Dynaxys has several functionalities to include; registration services for (school year, winter, spring and summer sessions), accounts receivable services, administration services to enable County and contractor staff to perform setup and management activities for (sessions, users and fees), accounts receivable, registration and letters/bulk mailing reporting.		Dynaxys has been interfaced to FOCUS since 2012.	The School Age Child Care (SACC) and Employees' Child Care Center (ECCC) Management System (SEMS) provides integrated Registration and Accounts Receivable functionality for the Department of Family Services, Office for Children SACC and the ECCC. SEMS serves the community of users who administer, manage, report on or use the SACC and ECCC services — County accounts receivable staff, registrars, and analysts; SACC parents with children in programs; parents and staff using the Employees' Child Care Center; and staff in childcare centers.	
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
No integration to FOCUS language in contract as this system was procured/implemented prior to FOCUS.	Accounts receivable functions for collecting fees from services provided by DFS.	Dynaxys is already interfaced to FOCUS.	N/A	TBD	Dynaxys is already interfaced to FOCUS.	N/A	Supporting documentation from Dynaxys reconciled to FOCUS.

**Fairfax County
Office of Financial and Program Audit**

- **Financial Applications/SOW review of the External System for the DPWES:**
 - **Weighmaster:** Discussions are being held re: replacing Weighmaster with a new system which will be integrated into FOCUS.
 - **PUBSAT:** No plans for changes to PUBSAT as of the time of this study.
 - **No issues noted for either system from the test procedures.**

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY DPWES/DIT/FBSG)							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Department of Public Works and Environmental Services (Solid Waste)	Weighmaster	Implemented in the 1990s	Solid Waste Management System to record and track all material and tonnages disposed. Calculates the disposal based on payment trips and rate structures to generate appropriate charge.		Monthly File Upload to FOCUS	Utilized to record and track all material and tonnages disposed by paying customers, residents, contractors and charities at the 95 and 66 West locations. Calculates the disposal based on payment types and rate structures to generate appropriate charge. Processes the business transaction and tracks customer account balances. Maintains required customer/hauler information to support billing.	
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
Integration to FOCUS not part of the scope of work provided in Documentation	FOCUS consists of financial, logistics (procurement functions) and human capital management functionality. FOCUS has capability to perform some of the External System functionality.	SWMP is preparing an RFP to solicit system replacement. Included in the system replacement requirements will be need to support daily, one way data feed integration to SAP/FOCUS. The intent is for FOCUS to replace WM revenue, billing, accounts receivable and collection functionality. Implementation date TBD.	No	Not-Integrated/Under review for Interface Opportunity	N/A	There are currently no plans to integrate Weighmaster to FOCUS. However, an interface to FOCUS for AR will be considered as part of the upcoming RFP.	Supporting documentation reconciled to FOCUS.

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY DPWES/DIT/FBSG)							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Department of Public Works and Environmental Services (Wastewater)	PUBSAT	1980's	Record, track and manage all sewer accounts, including application records data		Daily Manual Entry to FOCUS	Used to record, track, and manage all sewer accounts in Fairfax County. The application records data (including fees collected) pertaining to all customers of the Wastewater Management Sewer Integrated System. Financial activities recorded in PUBSAT are manually uploaded into FOCUS via journal entries and reconciled monthly.	
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
Not Applicable. The application service is provided by DIT.	FOCUS consists of financial, logistics (procurement functions) and human capital management functionality. FOCUS has capability to perform some of the External System functionality.	Currently there are no plans in place to integrate PUBSAT to FOCUS.	No	Not-Integrated/TBD	N/A	There is currently no automated interface to FOCUS and there are currently no plans to develop an interface at this time.	Supporting documentation reconciled to FOCUS.

**Fairfax County
Office of Financial and Program Audit**

- **Financial Applications/SOW review of the External System for the Fairfax County Police Department (FCPD):**
 - **Crywolf:** No plans for changes to Crywolf as of the time of this study.
 - **No issues noted for either system from the test procedures.**

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY FCPD/DIT/FBSG)							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Fairfax County Police Department	Crywolf	First implemented in 2006 <u>New Contract Awarded in March 2018</u>	Collects money for false alarms tracked by the Police Department.		J E Upload	The Contractor Public Safety Corporation provides false alarm tracking and billing software License & Maintenance Agreement. The annual maintenance agreement includes: product enhancement/updates and unlimited access to the help desk, for technical support and assistance.	
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
There is no language in the contract agreement regarding Crywolf interfacing with FOCUS.	It appears FOCUS does not have functionality for tracking false alarms. However, FOCUS does have functionality for billing.	Per FCPD staff, there are no plans to integrate Crywolf to FOCUS but open for discussion.	N	TBD	N/A	N/A	Supporting Documentation Reconciles to FOCUS.

- **Financial Applications/SOW review of the External System for the Fairfax County Health Department (HD):**
 - **Avatar:** Discussions are being held re: replacing Avatar with a new system. At the time of this study there was no information re: integration plans to FOCUS.
 - **Issue Note:** No aggregate receipts at month end available for reconciliation to FOCUS.

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY HD/DIT/FBSG)							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Health Department	Avatar	2005	Patient Care management system that supports service capture, billing, staff time and reporting for most of the department's patient care services.		Manual Upload to FOCUS	Avatar was implemented in 2005 and is utilized to support health department functional areas. This system is utilized daily by clinic administrative and nursing staff, as well as management for operational and program area reporting.	
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
No documentation could be identified regarding the integration of Avatar to FOCUS.	Accounts receivable functions for the collection of fees.	There are no plans to integrate Avatar to FOCUS as it will be replaced following the procurement of the Health Care Service Information System (HCSIS). Implementation date TBD.	N	Not-Integrated to FOCUS	N/A	Per HD staff, the Avatar system is outdated and modernizing the system to interface to FOCUS is cost prohibitive. Therefore, the Avatar system will be replaced following the procurement of the HCSIS system. <i>This RFP is scheduled to be released Spring 2018 and will include language requiring interface to FOCUS.</i>	(N) Unable to reconcile Avatar to FOCUS as no aggregate balances for monies collected in the Avatar system could be provided by HD.

**Fairfax County
Office of Financial and Program Audit**

- **Financial Applications/SOW review of the External System for the Retirement Administration Agency (RAA):**
 - **PensionGold:** Discussions are being held re: integrating PensionGold into FOCUS 30th June 2018.
 - **No issues noted from the test procedures.**

EXTERNAL SYSTEMS STUDY TESTING (BASED ON DATA PROVIDED BY RAA/DIT/FBSG)							
Agency/Department	Stand-Alone System	System Implementation Year (If Applicable)	System Functionalities		Data Migration Method	System Background	
Retirement Administration Agency	PensionGold	2007	System used by RAA to manage all aspects of Retiree Administration. Includes ACH and Check payments to Retirees.		Manual File Upload	Integrated Retirement Benefit Administration and Payroll computer system to manage all aspects of Retirement Administration, to include benefit payments to Retirees.	
Integration to FOCUS in Procurement SOW	Similar External System Functionality in FOCUS	Plans to Integrate System to FOCUS	System Integration in Progress (Y/N)	Status of System Integration (Per FBSG & DIT)	Estimated Completion Date of System Integration (if applicable)	Explanation of Delays in Integrating System to FOCUS	Supporting Documents Reconcile to Manual Uploads in FOCUS (Y/N)
Integration to FOCUS not part of the scope of work provided in Documentation	Pension Gold currently has two interfaces to FOCUS - Positive Pay and detail level information for Bank Reconciliation. <i>The next phase of interface enhancement would include a review of integration with the Accounts Payable module at a detail level for all retiree payments.</i>	Talks have been initiated with Levi, Ray and Shoup; developers of Pension Gold, FBSG, and Retirement Systems to develop and support an up-to-date process that will generate an interface file customized for the FOCUS system. Implementation date June 30, 2018	Yes. Beginning stages of the process.	In the process of integrating the accounts payable functions from Pension Gold to FOCUS.	June 30th, 2018	No delays noted by RAA	Supporting Documentation Reconciles to FOCUS.

- **Review Capital Asset Register recognition of Systems/Applications:**

External Systems Capital Asset Testing				
Agency Testing w/Non-Integrated Systems (Based on Data From DIT & FBSG)				
Agency	System	Listed on Capital Assets Report (Y/N/NA)	FOCUS Integration Status	Asset Information
CSB	Credible	N/A (1)	Not-Integrated	N/A
DFS	Dynaxys	N/A (1)	Integrated	N/A
DPWES	Weighmaster	N/A (1)	Not-Integrated	N/A
	PUBSAT	N/A (1)	Not-Integrated	N/A
DTA	ALIS	N/A (1)	Not-Integrated	N/A
	iNovah	Y (2)	Not-Integrated	Asset #11000159
	ATS	N/A (1)	Not-Integrated	N/A
FCPA	EZLINKS	N/A (1)	Not-Integrated	N/A
	ParkNet	N/A (1)	Not-Integrated	N/A
FCPD	Crywolf	N/A (1)	Not-Integrated	N/A
HD	Avatar	N/A (1)	Not-Integrated	N/A
LDS	EIS	N/A (1)	Not-Integrated	N/A
	FIDO	Y (2)	Not-Integrated	Asset #11000125
NCS	Tracers	Y (2)	Not-Integrated	Asset #11000122
	Trapeze	Y (2)	Not-Integrated	Asset #11000006
	AFSS	Y (2)	Not-Integrated	Asset #11000144
RAA	Pension Gold	N/A (1)	In Progress	N/A

Tickmark Legend:
 (1) System Not Applicable per DOF.
 (2) OFPA identified system on Capital Asset Register.

**Fairfax County
Office of Financial and Program Audit**

Lastly, a technical compliance review was performed on a sample of **11** external systems. One anomaly was noted but the exposure appears to be addressed by Policy 70-05 v7. **Per County Guidance;**³ **2.11 Software Licensing and Usage of Information Security Policy:** “Commercial software that has not been acquired through official county procurement process or channels is prohibited and cannot be installed on any county system to include websites. Copyrighted software for which Fairfax County does not have specific approval to use shall not be installed or stored on Fairfax County information systems.” The table below details the technical compliance review testing.

Only one anomaly was noted in our review for this section of the study, therefore this issue has been deemed as not reportable for follow-up. That being stated, consideration should be given to procuring all IT related solutions after the collaboration with DIT. In addition, consideration should be given to IT related software be subject to the requisite technical review process. Procurement of IT related software with the appropriate Technical review lends itself to purchasing items that are compatible with the County’s systems and that can be supported by DIT staff.

Review w/ DIT - External Systems Not-Integrated to FOCUS					
Sources: Agencies/Departments and FBSG/DIT/DOF Study Support Team					
Department/Agency	External Systems	Estimated Year Implemented	Owned/Supported <small>(Per Docs. Provided on 3/08/18)</small>	Presented to DIT for Tech Review	Comments
DPWES - Solid Waste	Weighmaster	1990s	Agency Owned	Yes	Looking to replace; coordinating with DIT
FCPA	EZLINKS	2016	Agency Owned	Yes	New system go live in June 2018
FCPA	ParkNet	1995	Agency Owned	Yes	New system go live in June 2018
CSB	Credible	2012	Vendor and CSB Supported	Yes	RFP for "HCSIS" project to replace in progress; joint effort with Health Department - DIT providing guidance.
DFS	Dynaxys	2009	Vendor Supported	Yes	Adequate for now
NCS	AFSS	2014	Agency Owned	Yes	Upgrade was done in 2014.
Circuit Court	CMS (Full Court)	2004	CC, Vendor, and DIT	Yes	Full Court to be replaced- selection process underway. DIT will assist in implementation.
Circuit Court	CARS	1998	CC and DIT	Yes	Custom -DIT oversight in development
Animal Shelter	PetPoint	2014	Not Provided	No	Vendor product
McLean Community Center	ActiveNet	Not Provided	Vendor	Yes	Vendor product
Reston Community Center	RecTrac	1991	Vendor	Yes	Vendor product

Given the *perceived* accuracy of the **tested** data, OFPA has gained reasonable assurance that the control elements, financial reporting and recognition are being adequately executed. That being stated, there are some minor opportunities for enhancements to the current fiscal practices. These items are detailed in the Control Summary and Observations/Recommendations in subsequent pages of this document.

³ Department of Information Technology Information Security Policy 70-05.01 v7/ September 2017

**Fairfax County
Office of Financial and Program Audit**

OBJECTIVES AND RESULTS

Business Objectives	Study Assessments
Agency Reconciliation Support for External Systems Data to FOCUS	Needs Improvement
Technical Standard for Interfacing External Systems to FOCUS	Needs Improvement
External Systems Oversight and Tracking	Needs Improvement
External Systems Recorded on Capital Assets Register	Satisfactory
Coordination of IT Related System Procurements	Satisfactory
Technical Compliance Reviews w/ DIT	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> Based on <i>tested data</i>, the external systems appear to be recorded on the Capital Assets Register, if applicable. Departments/agencies work directly with DIT to procure and coordinate IT related systems and services. As subject matter experts in the area of Information Technology, DIT provides competent guidance. Based on <i>tested data</i>, technical compliance reviews were performed by DIT staff for procured external systems. 	<ul style="list-style-type: none"> Unable to reconcile external system data to FOCUS utilizing the existing supporting documentation. No uniform technical standard for interfacing external systems to FOCUS. Not all external systems are tracked in a central repository.

OBSERVATIONS AND ACTION PLANS

The following table(s) detail observation(s) and recommendation(s) from this study along with management’s action plan(s) to address these issue(s).

AGENCY RECONCILIATION SUPPORT FOR EXTERNAL SYSTEMS DATA TO FOCUS

Risk Ranking

MEDIUM

During our external systems to FOCUS monthly reconciliation review process, we noted **three** anomalies that include:

- **CSB (Credible System)** – Supporting documentation from Credible did not reconcile to balances recorded in FOCUS. The balance in Credible is ~\$1.21M and the balance in FOCUS is ~\$1.2M for a difference of ~\$10k. As per CSB staff, the difference is due to factors such as; different closing periods and adjustments made based on insurance determinations. A follow-up with CSB staff on the adjustments for that period revealed entries to FOCUS but not Credible.
- **HD (Avatar System)** – No lead sheet was provided detailing aggregate balances for monthly reconciliations. As per HD staff, manual uploads from Avatar to FOCUS are performed daily by the HD Fiscal Office. The information garnered from this process did not appear to be aggregated to gain reasonable assurance that month-end close for this activity is properly stated.
- **LDS (EIS & FIDO Systems)** – As per LDS staff, only daily reconciliations are performed for the EIS & FIDO systems. The information garnered from this process did not appear to be aggregated to gain reasonable assurance that month-end close for this activity is properly stated. For purposes of our testing, LDS staff had to develop/compile the June 2017 Monthly reconciliations for both systems.

Recommendation

We recommend that adjustments are made by CSB staff to Credible to reflect the adjustments made in FOCUS. These entries/updates should reconcile the balances in both systems.

We recommend HD staff compile aggregate balances on a lead sheet for reconciliations as performed by other agencies/departments within the County.

We recommend that LDS staff develop and implement a documented (**and consistently executed**) monthly reconciliation process for both the EIS and FIDO external systems.

Related County Guidance:⁴

Page 4 of ATB 020: “Perform monthly reconciliations on a timely basis (no later than the last day of the following month) at the transaction level. These reconciliations are to be carried out in accordance with the department’s reconciliation plan that has been approved by DOF”.

Action Plan

Point of Contact	Target Implementation Date	Email Address

⁴ ATB 020 – Financial Transactions Reconciliations (April 2013)

**Fairfax County
Office of Financial and Program Audit**

Daryl Washington (Director, CSB)	First Date: March 31, 2019 Second Date: June 30, 2020	Daryl.Washington@FairfaxCounty.gov
Rosalyn Foroobar (Deputy Director, Health Services)	March 31, 2021	Rosalyn.Foroobar@FairfaxCounty.gov
Michael Peter (Financial Management Branch Chief, LDS)	July 31, 2018	Michael.Peter@FairfaxCounty.gov

MANAGEMENT RESPONSE:

(CSB) - Short Term- next six months to a year

- Efforts will be made to synchronize the monthly closing of Credible with FOCUS.
 - Report(s) from Credible will be designed to allow for reconciliation with FOCUS reports and allow identification of any discrepancies between the two systems.
 - Staff from CSB Fiscal will be trained to utilize the reporting functionality of Credible and methods to complete and document monthly reconciliations.
- Long Term-FY2020 and beyond
 - Examine practicality of developing an interface between Credible and FOCUS to eliminate the manual process of transferring information from Credible into FOCUS.
 - Ensure that any future EHR products acquired through the Health Care Services Information System (HCSIS) RFP provide for an interface with FOCUS.

(HD) - The Health Department agrees that a report allowing for a monthly aggregate reconciliation of all collections posted in Avatar to FOCUS is desirable to supplement our current reconciliation process. However, our current process consists of a detailed *daily transaction-level reconciliation* of collections recorded in Avatar to bank deposit and credit card receipts prior to completing FOCUS uploads. A second monthly transaction-level reconciliation of those FOCUS uploads is completed. This reconciliation process was approved by the Department of Finance and meets the requirements of ATB 020. We are exploring whether the Avatar system is able to produce an aggregate report, but we are limited in our ability to make substantive changes to Avatar given its age and update status. Avatar will be replaced by the new Electronic Medical Record system currently in the RFP stage of procurement. Based on the procurement schedule we anticipate having this monthly aggregate report available in Fall 2020/Spring 2021.

(LDS) - The LDS cashier's office processes a large volume of payment activity through the FIDO system on a daily basis (approximately \$200,000 each day from as many as 100 total customers). Due to this large volume of transactions, it is imperative that the daily receipts are reconciled in a timely fashion so any errors can be found and corrected prior to bank depositing and while the transactions are still recent. LDS has consistently performed a daily reconciliation. Nonetheless, LDS can additionally create a monthly report which will be the sum of all daily reconciliations for the month to meet the less stringent criteria documented in ATB 020.

On the EIS system, invoices are generated through the system once per month and interfaced with FOCUS. A system email is automatically generated detailing this interface, reconciling what is listed as a new receivable in EIS with what is then transferred to and verified by FOCUS. LDS has documented procedures for this process and will ensure that the additional steps taken to generate the invoices and reconcile the payables are appropriately detailed.

TECHNICAL STANDARD FOR INTERFACING EXTERNAL SYSTEMS TO FOCUS

Risk Ranking

LOW

Based on *tested data* of external systems not-integrated to FOCUS, **11 of 22** of these systems will be replaced. While these new systems could potentially have interfaces to SAP in the future, for systems that will continue to require manual processing the following issues may be encountered:

- Duplication of system integration/implementation efforts by agencies, vendors, DIT, & etc.
- Design specifications not uniform across agencies/departments,
- Additional expenditures incurred for the development of the interface by outside entity,
- Expiration of vendor support for Interfaces.

Based on a related County policy, when external systems do not include interfaces to FOCUS, DIT is responsible for developing the interfaces to SAP. Please see below:

Related County Guidance:

Procedural Memorandum No. 70-07, Governance and Management of County IT Staff and Assets⁵: *“Develop countywide IT standards that leverage countywide assets; deploy, manage, and support investments in technology; provide tools to facilitate IT planning, system implementation and maintenance, and project management; develop and provide the IT architecture and technology framework including directing efforts related to technical integration to the IT enterprise.”*

As DIT does not fully control the interface initiatives for some systems; e.g. Avatar and Credible, duplicative efforts may exist. This practice has resulted in several interfaces not being uniform across County agencies/departments.

Recommendation

While no exceptions were noted, consideration should be given to developing and implementing a technical standard for interfacing existing and newly acquired external systems to FOCUS, where applicable. This standard could assist DIT staff in standardizing system interfaces for agencies/departments.

Action Plan

⁵ Department of Information Technology Governance and Management of County IT Staff and Assets PM No. 70-07/September 2017

**Fairfax County
Office of Financial and Program Audit**

Point of Contact	Target Implementation Date	Email Address
Wanda Gibson (Director, DIT)	June 30, 2019 & (Ongoing)	Wanda.Gibson@FairfaxCounty.gov

MANAGEMENT RESPONSE:

DIT agrees and is in the on-going process of implementing and refining technical interface standard that will be applied at the time a new system is implemented, or, accept a technical interface of a vendor if one exists that is part of the vendor's solution and compliant with technical, security, and business data requirements. Interfaces are not implemented for any application until the required data/information to be carried by the interface to a receiving system is agreed to by all parties concerned.

**Fairfax County
Office of Financial and Program Audit**

EXTERNAL SYSTEMS OVERSIGHT AND TRACKING

Risk Ranking

LOW

Our review revealed County external systems which were not maintained/logged to facilitate tracking and/or monitoring. This information is essential for accounting, finance, security, technology, and other issues for oversight purposes.

Below is the result for this section of the review for non-integrated systems:

- DIT/FBSG/DOF identified **10** agencies/departments with **17** external systems not-integrated to FOCUS.
 - Our review identified **6** additional systems not-integrated to FOCUS, listed in the matrix below.
 - **Item of Note:** OFPA engaged **24** agencies in addition to the agency/department list provided by the study support group. ***There potentially*** could be more external systems not identified as part of this study, as we only performed outreach on a sample of agencies/departments.

External Systems Confirmed w/ Department & Agency				
Sources: Agencies/Departments and FBSG/DIT/DOF Study Support Team				
Department/Agency	External Systems	Functionality	Estimated Year Implemented	Included in Support Team Report Out
Circuit Court	CMS (Full Court)	Case Fee Collections	2004	No
Circuit Court	CARS	Records/Documents Fee Collections	1998	No
Animal Shelter	PetPoint	Service Fee Collections	2014	No
Neighborhood & Community Services	Tracers	Service Fee Collections	2002	No
McLean Community Center	ActiveNet	Service Fee Collections	Not Provided	No
Reston Community Center	RecTrac	Service Fee Collections	1991	No

Recommendation

Efforts should be made to enhance the oversight/tracking of external systems, as no report could be generated which detailed ALL stand-alone systems with financial activity. Additionally, consideration should be given to identifying and accounting for **ALL** external systems. This could assist in ensuring system related procurements are properly tracked.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Wanda Gibson (Director, DIT)	June 30, 2019	Wanda.Gibson@FairfaxCounty.gov
Chris Pietsch		Christopher.Pietsch@FairfaxCounty.gov

**Fairfax County
Office of Financial and Program Audit**

(Director, DOF)		
Deirdre Finneran (Deputy Director, DOF)		Deirdre.Finneran@FairfaxCounty.gov
Ellicia Seard (Deputy Director, DMB)		Ellicia.Seard@FairfaxCounty.gov

MANAGEMENT RESPONSE:

Management concurs with the finding. The Department of Information Technology (DIT) and the FOCUS Business Support Group (FBSG) will continue to work with county agencies in our priority to develop a comprehensive list of county business systems (including those with and without financial activity external to FOCUS). Annually, DIT/FBSG will send this list to the departments for them to confirm and/or update the current list of stand-alone systems being utilized. DIT will survey agencies annually as a part of strategic planning for IT investments and compliance the Proc. Memo 70-07 as well as efforts to reduce silos to extent practicable which is in the IT Plan guidelines, and, DOF will include the requirement for departments to complete this review and submit the updated list to DIT/FBSG as part of DOF's annual year-end closing procedures.

**Fairfax County
Office of Financial and Program Audit**

URBAN SEARCH & RESCUE SERVICES STUDY

OVERVIEW AND UPDATES

Virginia Task Force One (VATF1) is one of the 28 task forces receiving funds from the Federal Emergency Management Agency (FEMA) throughout the continental United States. VATF1 is a part of the National Urban Search and Rescue National Response System that was established in 1989. Because of this relationship, the Urban Search & Rescue (US&R) division has been able to develop and enhance their capabilities to respond to disasters both locally and nationally.

The Office of U.S. Foreign Disaster Assistance (OFDA) provides funding to US&R for international Search and Rescue Services. OFDA was established by Congress in Chapter 9 of the Foreign Assistance Act of 1961. Planning and implementation of international disaster relief, rehabilitation, preparedness, mitigation, prevention, and early warning programs services are provided by OFDA. These services are coordinated with the U.S. Government's foreign disaster assistance program.

Fairfax County Fire and Rescue Department (FCFRD) staff and equipment are deployed to other jurisdictions, states, and/or countries to provide assistance for disaster relief. Our focus for this study was the assessment of the timeliness of reimbursements to the County. These reimbursements are generated from expenditures made on behalf of other jurisdictions, states, and/or countries that received US&R services from the County. Included in this process was a review of the accounting, cash application and reconciliation processes for these funds. We also performed testing to assess if any bridge funding from the General Fund was replenished. This included assessing; the coordination with DOF on financial/accounting activities. These activities included, but not limited to, reviews of; revenue recognition, reconciliations, accruals and other accounting related functions. OFPA worked collaboratively with the Department of Management and Budget (DMB) and DOF during the reconciliation phase of this study.

To facilitate this study, OFPA obtained several sources of data from US&R. Data collected included; revenues, expenditures, accruals, and quarterly reconciliations. To assist in our analysis of this data, additional requests of; supporting documentation, policies, and regulations were requested and provided for FY 2014 – Y-T-D 2018. We also reviewed the cost of using Pooled Cash to bridge funding for US&R Response and Readiness tasks. OFPA interviewed US&R staff on several occasions during this study. This allowed us to obtain an understanding of the operations performed.

To provide an overview of the diligence and breath of the testing performed, the information below has been included in the narrative section of this report.

**Fairfax County
Office of Financial and Program Audit**

- **Review of the completeness of the billings and reimbursements.**

Billing and Collections Analysis			
FY 14 thru Y-T-D 2018 US&R / Sample Size 18			
Selected Sample Attributes			
Date of Deployment	Expenses	Reimbursement	Diff
April 2014 thru September 2017	\$1,442.12 thru \$2,119,399.92	\$1,442.12 thru \$2,119,399.92	\$0.00

- **Review of supporting documentation (including approvals) for expenditures.**

US&R Expenditures Analysis			
FY 14 thru Y-T-D 2018 US&R Expenditures Selected Sample			
Selected Sample Attributes			
Date	Expenses in GL	Reconciled to Service Delivery	Diff
September 2014 thru June 2017	\$388 thru \$18,020.60	\$388 thru \$18,020.60	\$0.00

- **Review of the completeness and accuracy of the revenue accruals recognition and reversals.**

FY17 US&R Revenue Accruals Testing									
Sample Source: FY17 Revenue Accrual Data from US&R & FOCUS									
Selected Sample Attributes				Testing Attributes					
Internal Reference Number	Posting Doc. No.	Doc. Date	Accrual Description	Reversal Doc. No.	Amount	G/L Amount Reversed	Diff.	Reconciliation Period	OFPA Comments
AA1920005-16	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$8,194.72	\$8,194.72	\$0.00	FY 2017	None
AB1920005-16	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$61.56	\$61.56	\$0.00	FY 2017	None
AC1920005-16	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$4.35	\$4.35	\$0.00	FY 2017	None
AA1920005-17	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$87,745.48	\$87,745.48	\$0.00	FY 2017	None
AB1920005-17	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$13,957.48	\$13,957.48	\$0.00	FY 2017	None
AC1920005-17	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$21,405.26	\$21,405.26	\$0.00	FY 2017	None
AD1920005-17	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$4,627.49	\$4,627.49	\$0.00	FY 2017	None
AA1920006-15	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$52,783.17	\$52,783.17	\$0.00	FY 2017	None
AB1920006-15	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$808.50	\$808.50	\$0.00	FY 2017	None
AC1920006-16	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$378,127.00	\$378,127.00	\$0.00	FY 2017	None
AD1920006-15	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$37,609.06	\$37,609.06	\$0.00	FY 2017	None
AE1920006-15	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$56,092.82	\$56,092.82	\$0.00	FY 2017	None
AF1920006-15	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$4,549.18	\$4,549.18	\$0.00	FY 2017	None
AA1920050-17	3700008077	6/30/2017	FY 2017 YE Revenue Accrual	3700008566	\$974,302.56	\$974,302.56	\$0.00	FY 2017	None

Items of Note:
This was a linear review of the accruals whereby balances in the G/L were vouched to balances on the agency files.
Therefore OFPA does not attest to the accuracy of these balances, only the accuracy of the reversal.

**Fairfax County
Office of Financial and Program Audit**

- **Review of reconciling item clearances and properly stated ending balances in quarterly reconciliations.**

US&R Quarterly Reconciliation Testing					
Sample Source - Quarterly Reconciliation Data from US&R					
Funds	Source of Funds	Quarterly Reconciliation	Reconciliation Ending Balance in US&R Records	Reconciliation Balance in FOCUS G/L	Diff.
500-C50000	OFDA	Jun-17	\$737,241.10	\$737,241.10	\$ -
500-C50000	OFDA	Dec-17	\$643,066.18	\$643,066.18	\$ -
500-C50000	FEMA	Jun-17	\$240,524.47	\$240,524.47	\$ -
500-C50000	FEMA	Dec-17	\$95,760.60	\$95,760.60	\$ -

- **Review of the indirect cost charges (charges to the Grantor by the County). These monies are remitted by the Grantor in source of County resources used to support FEMA Deployments (only).**

Indirect Cost Charges Testing					
Sample Source : FEMA Reimbursement Documents					
Report	Source of Funds	Indirect Cost Charges Amt. per US&R	Audited Amount	Diff	Reimbursement Status
TB FY17	FEMA Response	\$23,634.20	\$23,634.20	\$0.00	Fully Reimbursed
TB FY17	FEMA Response	\$205.56	\$205.56	\$0.00	
TB FY16	FEMA Response	\$1,975.43	\$1,975.43	\$0.00	
Total		\$25,815.19	\$35,781.47	\$0.00	

**Fairfax County
Office of Financial and Program Audit**

- **US&R FY 2017 Year-End Reconciliation of Fund 50000 for FEMA Readiness.**

Fund 50000 Year-End Reconciliation for FY 2017 Urban Search & Rescue Services - FEMA Readiness Purpose: To Reconcile Funds Appropriated to Funds Reimbursed	
Reconciliation of:	500-C50000 US&R
<i>DMB Records of Funds</i>	
FY 2017 Appropriated Balance	\$1,728,232.11
Original Funding Reduced by Activity	(\$838,598.47)
Unexpended Funds to Reconciliation	\$889,633.64
<i>US&R Records of Funds</i>	
FY 2017 Appropriated Balance	\$1,728,232.11
Original Funding Reduced by Activity	(\$838,598.47)
Unexpended Funds to Reconciliation	\$889,633.64
Amount Recorded in FOCUS (Carry-Over)	889,633.64
Unreconciled Balance (Total Diff @ FY 2017 Year-End)	-

- **US&R FY 2017 Year-End Reconciliation of Fund 50000 for FEMA Response.**

Fund 50000 Year-End Reconciliation for FY 2017 Urban Search & Rescue Services - FEMA Response Purpose: To Reconcile Funds Appropriated to Funds Reimbursed	
Reconciliation of :	500-C50000 US&R
<i>DMB Records of Funds</i>	
FY 2017 Appropriated Balance	\$2,022,236.54
Original Funding Reduced by Activity	(\$1,072,654.82)
Unexpended Funds to Reconciliation	\$949,581.72
<i>US&R Records of Funds</i>	
FY 2017 Appropriated Balance	\$2,022,236.54
Original Funding Reduced by Activity / Net of Accruals	(\$1,072,654.82)
Unexpended Funds to Reconciliation	\$949,581.72
Amount Recorded in FOCUS (Carry-Over)	949,581.72
Unreconciled Balance (Total Diff @ FY 2017 Year-End)	-

**Fairfax County
Office of Financial and Program Audit**

- **US&R FY 2017 Year-End Reconciliation of Fund 50000 for OFDA Readiness.**

Fund 50000 Year-End Reconciliation for FY 2017 Urban Search & Rescue Services - OFDA Readiness Purpose: To Reconcile Funds Appropriated to Funds Reimbursed	
Reconciliation of :	500-C50000 US&R
<i>DMB Records of Funds</i>	
FY 2017 Appropriated Balance	\$3,736,548.16
Original Funding Reduced by Activity	(\$1,938,998.58)
Unexpended Funds to Reconciliation	\$1,797,549.58
<i>US&R Records of Funds</i>	
FY 2017 Appropriated Balance	\$3,736,548.16
Original Funding Reduced by Activity / Net of Accruals	(\$1,938,998.58)
Unexpended Funds to Reconciliation	\$1,797,549.58
Amount Recorded in FOCUS (Carry-Over)	1,797,549.58
Unreconciled Balance (Total Diff @ FY 2017 Year-End)	-

- **US&R FY 2017 Year-End Reconciliation of Fund 50000 for OFDA Response.**

Fund 50000 Year-End Reconciliation for FY 2017 Urban Search & Rescue Services - OFDA Response Purpose: To Reconcile Funds Appropriated to Funds Reimbursed	
Reconciliation of :	500-C50000 US&R
<i>DMB Records of Funds</i>	
FY 2017 Appropriated Balance	\$676,983.33
Original Funding Reduced by Activity	(\$305,886.84)
Unexpended Funds to Reconciliation	\$371,096.49
<i>US&R Records of Funds</i>	
FY 2017 Appropriated Balance	\$676,983.33
Original Funding Reduced by Activity	(\$305,886.84)
Unexpended Funds to Reconciliation	\$371,096.49
Amount Recorded in FOCUS (Carry-Over)	371,096.49
Unreconciled Balance (Total Diff @ FY2017 Year-End)	-

**Fairfax County
Office of Financial and Program Audit**

Given the *perceived* accuracy of the **tested** data, OFPA has gained reasonable assurance that the control elements, financial reporting and recognition, and the process for reimbursements are being adequately executed. That being stated, there are some minor opportunities for enhancements to the current fiscal practices. These items are detailed in the Control Summary and Observations/Recommendations in subsequent pages of this document.

OBJECTIVES AND RESULTS

Business Objectives	Study Assessments
Expenditure Accruals Not Formalized for all Activity	Needs Improvement
Revenue Accruals Performed w/o Exceptions	Satisfactory
Billing Statements to Granting Agencies Reviewed w/o Exceptions	Satisfactory
Expenditure Documentation and Approvals Reviewed w/o Exceptions	Satisfactory
Reconciliations to FOCUS Reviewed w/o Exceptions	Satisfactory
Indirect Cost Charge Reimbursements Reviewed w/o Exceptions	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Revenue accruals and reversals tests concluded without exceptions. • Billing statements to Grantors tests concluded without exceptions. • Supporting documentation and approvals tests for expenditures concluded without exceptions. • Quarterly reimbursement reconciliation to FOCUS tests concluded without exceptions. • Indirect cost charges to Grantor tests concluded without exceptions. 	<ul style="list-style-type: none"> • Formalized process for recognizing expenditure accruals does not exist. Expenditures accruals are performed for personnel charges only.

OBSERVATIONS AND ACTION PLANS

The following table(s) detail observation(s) and recommendation(s) from this study along with management’s action plan(s) to address these issue(s).

**Fairfax County
Office of Financial and Program Audit**

EXPENDITURE ACCRUALS NOT FORMALIZED FOR ALL ACTIVITY

Risk Ranking

LOW

Our review of US&R revenues revealed instances whereby US&R Services was performing accruals to recognize revenue not received. Conversely, expenditure accruals are **only** performed for US&R payroll and not **ALL** expenditures incurred.

Recommendation

Consideration should be given to accruing for **ALL** expenditures incurred but not expensed to be properly recognized in the period which it was incurred. Additionally, consideration should be given to formalizing and documenting an expenditure accrual process.

Related Government Accounting Guidance:⁶

Interpretation No. 6 of GASB 180-A: “In the absence of an explicit requirement to do otherwise, a government should accrue a governmental fund liability and expenditure in the period in which the government incurs the liability”.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Kelly Lehman (Management Analyst III, FCFRD) Reena Thomson (US&R Fiscal Administrator)	June 30, 2018	Kelly.Lehman@FairfaxCounty.gov Reena.Thomson@FairfaxCounty.gov

MANAGEMENT RESPONSE:

The FCFRD has historically processed year end expenditure accruals for payroll expenditures only. Instead of accruing for other expenditures, we have proactively minimized the need for other expenditure accruals by doing the following:

- Establishing an early June deadline for ordering of miscellaneous supplies
- Limiting the submission of new purchase order requests to early June
- Stopping procurement card usage the third week of June unless there is a critical need

⁶ Government Accounting Standards Series No. 180 – A / March 2000

**Fairfax County
Office of Financial and Program Audit**

- Processing goods/services receipts by the established year end cutoff date, thereby recording the expenditure in the current fiscal year
- Ensuring that all travel reimbursements are recorded in the appropriate fiscal year when feasible

Guidance for these yearend deadlines is issued jointly by the FCFRD Purchasing and Accounts Payable and FCFRD Fiscal Services Divisions each May. A full review is made of all open encumbrances and anticipated expenditures. There is ongoing discussion and monitoring of expenditures throughout the yearend closing process.

While we feel the need for expenditure accruals is greatly reduced by these actions, US&R will formalize our process by establishing a checklist for the review of all potentially necessary expenditure accruals in response to this recommendation. We will initiate this review effective with the yearend activities for FY 2018.

**Fairfax County
Office of Financial and Program Audit**

APPENDICIES

APPENDIX A

Solid Waste Monthly Reconciliation Testing							
Sample Source - Monthly Reconciliation Data from DPWES (Solid Waste)							
Funds	Reconciliation Month/Year	Date of Recon	Monthly Recon Performed Timely (Y/N)	Reconciliation Support Ties to Ending Balance (Y/N)	FOCUS Monthly Reconciliation Amount	Weighmaster Report (Electronic Support) Amount	Diff.
400-C40150 400-C40160 400-C40170	Jan-16	2/29/2016	Y	N	\$4,794,201.95	\$4,227,217.50	\$566,984.45
400-C40150 400-C40160 400-C40170	Jun-16	8/8/2016	Y	N	\$7,697,715.39	\$7,543,877.51	\$153,837.88
400-C40150 400-C40160 400-C40170	Mar-17	4/17/2017	Y	N	\$3,649,187.73	\$3,515,254.73	\$133,933.00

**Fairfax County
Office of Financial and Program Audit**

APPENDIX B

Wastewater Accounts Receivable Aging Reports Testing															
Sample Source - A/R Aging Report from DPWIS (Wastewater)															
Selected Sample Attributes						Data from 6/22/2019									
Cost No.	Customer Name	Doc. No.	Invoice Date	Payment Due Date	Payment Date	A/R Description	No. of Days Outstanding	Status & Collection Efforts, Write-off, etc.	Invoice Amount Per WW File	Amount of Payment(s) Reported to WW	Agreed Upon Interest Due	Interest Paid	Diff	Over Due Balance	Diff (Outstanding Balance) Over Due re FOCUS Notes
100003775	Covanta Fairfax Inc.	130007838	1/22/2015	2/21/2015		Ongoing Per Payment Agreement w/Covanta Covanta Reuse Availability	1,089 as of 4/27/18 (Payment Agreement Established w/Covanta)	Wastewater has an established an Amortization Schedule w/Covanta at a 3% Interest rate with 40 Quarterly Payments.	\$1,573,202.00	\$ 1,016,440.01	3%	3%	0%	\$ 2,141,479.99	\$2,141,479.99
100003775	Covanta Fairfax Inc.	130007820	1/31/2017	3/31/2017	7/13/2017	Covanta Reuse Water Charges Dec 2016	105	N/A	\$12,550.99	\$ 12,550.99	0%	0%	0%	\$0.00	\$0.00
300000040	Town of Vienna	130006612	4/4/2016	5/9/2016	4/27/2018	Normal Cole Cap Exp 15	721	N/A	\$1,546,820.11	\$ 1,546,820.11	3.19%	3.19%	0.00%	\$0.00	\$0.00
300000040	Town of Vienna	130004216	10/19/2016	11/14/2016	4/27/2018	Normal Cole Cap Exp F2016	529	N/A	\$466,770.00	\$ 466,770.00	3.19%	3.19%	0.00%	\$0.00	\$0.00
300000040	Town of Vienna	130007939	3/6/2017	4/9/2017	4/27/2018	Vienna Share of Normal Cole Cap Exp Jul 2016-Jan 2017	386	N/A	\$288,505.27	\$ 288,505.27	3.19%	3.19%	0.00%	\$0.00	\$0.00

**Fairfax County
Office of Financial and Program Audit**

APPENDIX C

Solid Waste Accounts Receivable Aging Reports Testing (June 2017)												
Sample Source - A/R Aging Report from DPWES (Solid Waste)												
Selected Sample Attributes						Testing Attributes						
Account No.	Account Name	Invoice Date	Payment Due Date	Payment Date	No. of Days Receivable Outstanding (As of 4/20/18)	Customer Info Captured in Database (Y/N)	Receivable Paid-In-Full (Y/N)	Status e.g. Collection Efforts, Write-off, etc.	Invoice Amount Per SW	Amount of Payment(s) Remitted to SW	Diff	Over Due Balance
982646	DC TREASUR-CONTRACT	11/10/2016	12/9/2016	Not Paid	497	Y	N	Account Remains With SW For Collection Efforts	\$ 2,588.25	\$ -	\$ 2,588.25	\$ 2,588.25
986109	COVANTA ALEX	5/12/2015	6/10/2015	Not Paid	1,044	Y	N	Account Remains With SW For Collection Efforts	\$ 544.89	\$ -	\$ 544.89	\$ 544.89
CA12700	SUPERIOR LAND DESIGN	10/2/2014	11/10/2014	Not Paid	1,256	Y	N	Account No Longer With NCC (Collection Agency)/ Receivable Should Be Written-off	\$ 357.46	\$ -	\$ 357.46	\$ 357.46
CA13867	ALLIANT LLC	6/11/2015	7/10/2015	Not Paid	1,014	Y	N	Account Placed With NCC (Collection Agency)	\$ 364.52	\$ -	\$ 364.52	\$ 364.52

**Fairfax County
Office of Financial and Program Audit**

LIST OF ACRONYMS

AC	Audit Committee
BOS	Board of Supervisors
CAFR	Comprehensive Annual Financial Report
CSB	Community Services Board
CY	Calendar Year
DFS	Department of Family Services
DIT	Department of Information Technology
DMB	Department of Management and Budget
DOF	Department of Finance
DPWES	Department of Public Works and Environmental Services
DSO	Days Sales Outstanding
DTA	Department of Tax Administration
EIS	Elevator Inspection Services
FBSG	Focus Business Support Group
FCPA	Fairfax County Park Authority
FCPD	Fairfax County Police Department
FCFRD	Fairfax County Fire and Rescue Department
FCWA	Fairfax County Water Authority
FEMA	Federal Emergency Management Agency
FPS	Fiscal Policy Statement
FY	Fiscal Year
HD	Fairfax County Health Department
JE	Journal Entry
LDS	Land Development Services
NCC	Nationwide Credit Corporation
NCS	Neighborhood & Community Services
OCA	Office of the County Attorney
OFDA	Office of U.S. Foreign Disaster Systems
OFPA	Office of Financial and Program Audit
RAA	Retirement Administration Agency
SAP	Systems Applications Products
SOW	Scope of Work
SW	Solid Waste
US&R	Urban Search & Rescue
VATF1	Virginia Task Force One
WW	Wastewater
Y-T-D	Year to Date

ADDENDUM SHEET

OFPA (June 2018 /Agency Report and/or Debriefing)

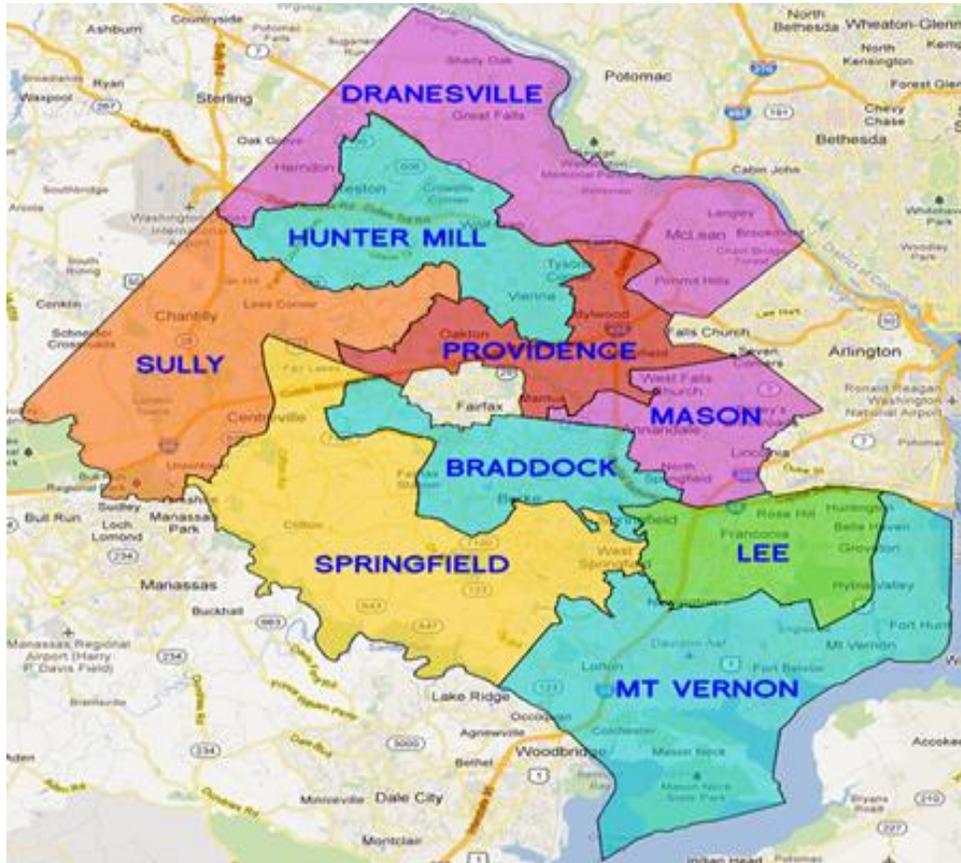
06/26/2018

The table below lists discussions from the Audit Committee.

<i>Location in Document</i>	<i>Comments</i>

~End~

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FAIRFAX COUNTY BOARD OF SUPERVISORS
AUDITOR OF THE BOARD
www.fairfaxcounty.gov/boardauditor
Office of the Financial and Program Audit
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